

November 20, 1996

Mark Young
New York Metro

To: Don Fitzgerald

Subject: 1997 SAIP Program Objectives

Dear Don,

In response to your letter of 11/4/96, listed below are the thoughts and recommendations of the New York Region:

Sales Representatives / Territory Representatives

Sales Area Share Results:	10%
Individual MBO's:	<u>20%</u>
Total Program Objectives:	30%

Without a doubt, the share of market results continue to be extremely important to the overall success of the company. At the same time, by identifying 20% of the SR/TR's total bonus on MBO's, this will allow each division manager to evaluate the performance of each direct report on "objectives that are important to the specific Division". As you are aware, these specific division objective can be radically different in each area of the country. Objectives such as the 3% spending reduction, call count and coverage, in my opinion, are simply basic standards of the job.

Retail Representatives:

Since the Retail Representatives are "Implementors", we feel that call count (10%) and coverage (10%) are the Key Drivers for this position. These program objectives should be included in the 1997 Program Objectives. At the same time all RM's recommended that MBO's be added to the R/R's 20% of the total bonus. This would allow the true difference between the performance level's of individual R/R's to be reflected in their yearly bonus. This would place the R/R's program objectives at a weighted level of 40% of the total bonus.

Retail Managers:

Call Count:	10%	No Change
Coverage:	10%	No Change
MBO's:	20%	To match the R/R's

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As with the R/R's, the MBO's would cover the other important areas of Implementation (ie: presence, display position & impact, product freshness, display loads, etc.) for the overall Retail Manager's operation.

Don, I hope you find our recommendations useful. If you have any questions, please give me a call.

Sincerely,
Mark Young

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